

HOUSE BILL 188

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2001 Regular Session
11r0209
CF 11r1680

By: **Delegates Boutin, Dewberry, Branch, Mohorovic, Klausmeier, Weir,
Nathan-Pulliam, Oaks, Elliott, Stull, Krysiak, Glassman, and Rosenberg**
Introduced and read first time: January 19, 2001
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Real Estate Appraisals - Prohibition on Making Payment Dependent on**
3 **Finding of the Appraisal**

4 FOR the purpose of prohibiting a bank, mortgage lender, savings and loan
5 association, or any other lender that enters into a certain contract with a
6 certified real estate appraiser that requires the certified real estate appraiser to
7 make an appraisal of real property from making the payment of the certified
8 real estate appraiser dependent on a factual finding of the appraisal;
9 establishing certain penalties for a lender who makes the payment of a certified
10 real estate appraiser dependent on a factual finding of the appraisal; defining
11 certain terms; and generally relating to the payment of certified real estate
12 appraisers by lenders.

13 BY adding to
14 Article - Real Property
15 Section 14-127
16 Annotated Code of Maryland
17 (1996 Replacement Volume and 2000 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article - Real Property**

21 14-127.

22 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
23 INDICATED.

24 (2) "CERTIFIED REAL ESTATE APPRAISER" HAS THE MEANING STATED
25 IN § 16-101 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.

26 (3) "CONTRACT" INCLUDES ANY TYPE OF EMPLOYMENT AGREEMENT.

1 (B) IF A BANK, MORTGAGE LENDER, SAVINGS AND LOAN ASSOCIATION, OR
2 ANY OTHER LENDER ENTERS INTO A CONTRACT WITH A CERTIFIED REAL ESTATE
3 APPRAISER THAT REQUIRES THE CERTIFIED REAL ESTATE APPRAISER TO MAKE AN
4 APPRAISAL OF REAL PROPERTY TO ESTABLISH MARKET VALUE, THE LENDER MAY
5 NOT MAKE PAYMENT OF THE CERTIFIED REAL ESTATE APPRAISER DEPENDENT ON A
6 FACTUAL FINDING OF THE APPRAISAL.

7 (C) IF A CERTIFIED REAL ESTATE APPRAISER SEEKS RELIEF IN COURT FOR A
8 VIOLATION OF SUBSECTION (B) OF THIS SECTION AND THE COURT FINDS IN FAVOR
9 OF THE CERTIFIED REAL ESTATE APPRAISER, THE COURT SHALL AWARD THE
10 CERTIFIED REAL ESTATE APPRAISER THREE TIMES THE AMOUNT THAT THE LENDER
11 AGREED TO PAY THE CERTIFIED REAL ESTATE APPRAISER UNDER THE CONTRACT
12 FOR THE APPRAISAL, PLUS COURT COSTS AND ATTORNEYS' FEES.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 October 1, 2001.